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STATE FOR WHA/BSC, INL/LP (JIM HIDES)  
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SUBJECT: PARAGUAY POLITICAL AND ECONOMIC UPDATE APRIL 20 -  
MAY 4, 2007

REF: A. 06 ASUNCION 1113

[1](#)B. 06 ASUNCION 1246

Classified By: MICHAEL J. FITZPATRICK; REASONS 1.4 (b), (d)

[1](#)1. (U) SUMMARY:

- President Postpones Spain Trip
- Government Monopoly Cripples Internet
- Deputies Pass Penal Code Reform
- Ycau Bolanos Case Can't Seat Judge Panel
- Journalists Protest Inaction on Cases

PRESIDENT POSTPONES SPAIN TRIP

[1](#)2. (C) President Duarte postponed his trip to Spain April 24 claiming it was in "solidarity" with some 300 Paraguayans that were being deported by Spanish authorities. Leticia Casati, the MFA's Director of the Europe Desk, told PolOff May 4 that the President made his decision out of concern over "the suffering of Paraguayan migrants and what he (Duarte) viewed as a violation of their human rights by Spanish authorities." Casati also noted that FM Ramirez Lezcano will visit Spain in the near future to discuss immigration issue among other matters.

GOVERNMENT MONOPOLY CRIPPLES INTERNET

[1](#)3. (U) Internet service for the entire country of Paraguay shutdown May 2 for more than 2 hours (and in some jurisdictions as much as 5 hours) when a fiber-optic cable was accidentally cut by contractors for the Public Works Ministry. COPACO, the government-owned communications company, controls all Internet service and sells access to private firms, who in turn, sell to consumers. (NOTE:Paraguay is one of 20 countries selected for funding under USAID's Global Last Mile Initiative in October 2006 - a program that aims to facilitate internet access to more marginalized communities in Paraguay's interior. Only 3 persons out of 100 have access to the internet in the country -- the lowest access rate in the region. END NOTE.)

#### DEPUTIES PASS PENAL CODE REFORM

¶4. (U) The House of Deputies passed the Penal Code Reform Bill with minor changes May 3. The bill includes provisions to stiffen penalties for money laundering and IPR violations and introduces first time provisions and penalties for terrorist financing. The Senate is set to review the legislation May 14 with some chance it could come up for a vote in the Senate by the end of the month. Both sponsors of the bill are Senators - one from the governing Colorado Party and the other from the opposition - giving it a decent prospect for adoption. (NOTE: The Procedural Code Reform Bill - which will strengthen the hands of the prosecutors in investigating money laundering and terrorist financing - may be submitted as well in short order to the Congress. This bill could well attract greater controversy from a number of different sides, including civil libertarians concerned about empowering the state. END NOTE.)

#### YCUA BOLANOS CASE CAN'T SEAT JUDGE PANEL

¶5. (C) Judges Segundo Ibarra, Hugo Came and Norma Salomon were selected to preside over the new Ycua Bolanos fire case. Each of them, however, have recused themselves from the case for various reasons. Edgar Sanchez, the prosecutor assigned to the case, told PolOff April 2 that, not only was he the only prosecutor to agree to take the case, but the courts have had trouble identifying presiding judges. Sanchez maintained that no judge wants to touch the case and that he does not expect the case to be heard before the elections set for April 2008. (NOTE: More than 55 judges have recused themselves. END NOTE).

#### JOURNALISTS PROTEST INACTION ON CASES

¶6. (U) The Paraguayan Journalists Union (SPP) protested in front of the Supreme Court April 26 to celebrate its anniversary (as well as Press Freedom Day) and to draw attention to the inaction of the courts on the disappearances and/or deaths of several journalists. Supreme Court President Alicia Pucheta and Justice Victor Nunez briefly attended the event to present files on the cases of several journalists including Santiago Leguizamon, Calixto Mendoza, Salvador Medina, and Samuel Roman which the Justices maintained reflected a complete investigation had taken place. SPP officials, however, asserted that the courts have hindered investigation into the cases of the above-noted journalists as well as many others that have disappeared or have been killed.

#### FITZPATRICK